

State of Colorado Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 (303) 894-2100 Fax: (303) 894-2109



FOR OGCC USE ONLY

RECEIVED SEP-4 01 COGCC

APPLICATION FOR PERMIT TO:

1. TYPE OF WORK

Drill, Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL

OIL GAS COAL BED OTHER: SINGLE ZONE MULTIPLE ZONE COMMINGLE ZONES

Refiling Sidetrack

Plugging Bond Surety ID#: F

3. OGCC Operator Number: 18040

4. Name of Operator: CLX ENERGY, INC.

5. Address: 518-17th Street, Suite 745

City: Denver State: CO Zip: 80202

6. Contact Name & Phone

Bill Davis

Phone: 303-825-7080

Fax: 303-825-7082

Complete the Attachment Checklist

Attachment checklist table with columns Op and OGCC, listing items like APD Original, Form 2A, Permit Fee, etc.

7. Well Name: Blue Gravel

Well Number: 3-23

8. Unit Name (if appl.):

Unit No:

9. Proposed Total Depth: 4,300'

WELL LOCATION INFORMATION

10. QtrQtr: SE SW Sec: 23 Twp: 9N Rng: 91W Meridian:

Footage From Exterior Section Lines:

At Surface: 660' FSL 1,980' FWL Sec. 23, T9N-R91W

11. Field Name: Blue Gravel Field Number: 6970

12. Ground Elevation: 6,694' 13. County: Moffat

14. If well is: Directional Horizontal (Highly Deviated), submit deviated drilling plan.

Footage from Exterior Section Lines and Sec Twp Rng:

At Top of Production Zone:

At Bottom Hole: 306

15. Is location in a high density area (Rule 603b)? Yes No

16. Distance to nearest building, public road, above ground utility or railroad: 1,000'+

17. Distance to Nearest Property Line: 660' 18. Distance to nearest well completed in same formation: 2,640'

LEASE, SPACING, AND POOLING INFORMATION

Table with columns: Objective Formation(s), Formation Code, Spacing Order Number, Unit Acreage Assigned to Well, Unit Configuration (N/2, SE/4, etc)

20. Mineral Ownership: Fee State Federal Indian Lease #: C-17366

21. Surface Ownership: Fee State Federal Indian

Is the Surface Owner also the Mineral Owner? Yes No

If No: Surface Owners Agreement Attached or \$25,000 Blanket Surface Bond \$2,000 Surface Bond \$5,000 Surface Bond

23. Describe lease area associated only with the proposed well by QtrQtr, Sec, Twp, Rng (attach separate sheet/map if required): SW/4 Sec. 23, T9N-R91W

24. Distance to Nearest Lease Line: 660' 25. Total Acres in Lease: 480

DRILLING PLANS AND PROCEDURES

26. Approx. Spud Date: November 1, 2001

NOTE: If air/gas drilling, notify local fire officials.

27. Drilling Contractor Number: Name: To be determined Phone #:

28. Is H2S Anticipated: Yes No If yes, attach contingency plan.

29. Will salt sections be encountered during drilling? Yes No

30. Will salt (>15,000 ppm TDS Cl) or oil based muds be used during drilling? Yes No

31. If questions 29 or 30 are yes, is this location in a sensitive area (Rule 903)? Yes No

32. Mud disposal: Offsite Onsite

Method: Land Farming Land Spreading Disposal Facility Other: Backfill Pit

This permit is binding with respect to any conflicting local government permit or land use approval process

NOTE: The use of an earthen pit for recompletion fluids requires a pit permit (Rule 905b).

CASING AND CEMENTING PROGRAM

Table with columns: String, Size of Hole, Size of Casing, Weight Per Foot, Setting Depth, Sacks Cement, Cement Bottom, Cement Top

34. BOP Equipment Type: Annular Preventor Double Ram Rotating Head None

35. Comments, if any: We certify that notification under Rule 305 and consultation under Rule 306 has occurred.

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct, and complete.

Print Name: W. C. Davis

Signed: [Signature] Title: Petroleum Engineer Date: 9/29/01

OGCC Approved: [Signature] Director of COGCC Date: NOV 16 2001

API NUMBER 05 081 07073 00 Permit Number: 01201 Date: NOV 15 2002

CONDITIONS OF APPROVAL, IF ANY: 24 Hour Spud Notice required. Contact COGCC NW Area Engineer Jaime Adkins @ (970)-858-7521